

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Lifeline and Link Up)	WC Docket No. 11-42
Reform and Modernization)	
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	

REPLY COMMENTS OF TRACFONE WIRELESS, INC.

TracFone Wireless, Inc. (“TracFone”), by its attorneys, hereby files its Reply Comments regarding its request to include the Children’s Health Insurance Program (“CHIP”) in the list of qualifying assistance programs for Lifeline in Commission Rule 54.409(a)(2) (47 C.F.R. § 54.409(a)(2)). As noted in TracFone’s initial request, filed on July 13, 2012, inclusion of CHIP as a qualifying assistance program for Lifeline will ensure the universal availability of telecommunications services to low-income consumers, as well as remedy the existing unfair and discriminatory treatment of CHIP participants whereby CHIP participants in some states qualify for Lifeline support while CHIP participants in other states do not.

Only three comments were filed in response to TracFone’s request. Two commenters, Budget PrePay, Inc. (“Budget PrePay”) and Gila River Indian Community and Gila River Telecommunications, Inc. (“Gila River”), support TracFone’s request to include CHIP as a Lifeline qualifying program. The third commenter, United States Telecom Association (“USTelecom”), takes no position on TracFone’s request, but does provide its opinion on the timing of making changes to Lifeline eligibility standards.

As TracFone stated in its request, the Commission should include CHIP as a Lifeline qualifying assistance program to address the discriminatory treatment of CHIP participants that results when CHIP participants in some states qualify for Lifeline while CHIP participants in other states do not. This discriminatory treatment is caused by the fact that some states provide CHIP benefits as part of a state's Medicaid plan (a qualifying assistance program for Lifeline) while others provide CHIP benefits separately rather than as part of a state's Medicaid plan. Budget PrePay correctly notes that "[t]his disparate treatment goes against the Commission's efforts to establish uniform eligibility criteria for the Lifeline program across states, especially with respect to federally supported programs."¹ Gila River also points out that the "current structure is overly confusing and unfairly discriminates against those low-income households located in states that administer CHIP through a separate child health program or a combination program in which the CHIP participant qualifies for benefits under the state's CHIP program."² Gila River further asserts that including CHIP as a qualifying assistance program will lower the economic barrier to telephone service to those households that have been identified as unable to afford the basic service of health coverage for their children.³

USTelecom states that it takes no position on whether CHIP should be included on the list of Lifeline qualifying programs. However, USTelecom requests that any changes to the Lifeline eligibility criteria be implemented no more than once per year on a date certain. USTelecom claims that limiting changes to eligibility criteria to once per year would facilitate the efficient administration of the Lifeline program by states and Lifeline service providers and

¹ Budget PrePay Comments, at 2.

² Gila River Comments, at 5.

³ See id. at 3.

reduce customer confusion.⁴ While TracFone agrees that administrative efficiency is an important factor to consider when making changes to the Lifeline program, it is not the only factor. The principle of administrative efficiency should not take precedence over the Commission's goal of making Lifeline available to qualified low-income households in a uniform and non-discriminatory manner and the prompt correction of inequities and discriminatory situations when they are identified. The particular change requested by TracFone corrects an unfair and discriminatory situation that prevents low-income households from receiving Lifeline benefits solely because they reside in a state that does not administer CHIP as part of its Medicaid plan. Moreover, requiring Lifeline service providers to include CHIP as a qualifying assistance program going forward will not cause any customer confusion. Rather, when consumers complete their applications for Lifeline they will simply have one more program on which they can rely to qualify for Lifeline benefits.

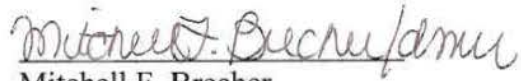
CONCLUSION

For the reasons stated in TracFone's initial request and in these reply comments, TracFone respectfully asks the Commission to include CHIP as a qualifying assistance program for Lifeline. The Commission's grant of this request will ensure that low-income households in all states receive the free and discounted telecommunications service to which they are entitled under the Lifeline program.

⁴ See USTelecom Comments, at 1-2.

Respectfully submitted,

TRACFONE WIRELESS, INC.

Handwritten signature in cursive script, appearing to read "Mitchell F. Brecher / dmu".

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